

Written Testimony of Representative Rick Larsen (WA-02)
Make It in America: What's Next?
PANEL 4: The Future of American Manufacturing & Skills Training

Thank you for having me here today.

I'd like to take a few moments to discuss the importance of the aviation sector for domestic manufacturing, and how we can do more to encourage the growth of this industry.

Throughout the country, and especially in my home state of Washington, aviation means jobs.

Washington is home to 1,350 firms in the aerospace cluster employing more than 132,000 people.

Many of these jobs are union jobs, and they almost universally pay a good wage, supporting middle class families in my district.

According to recent data from the Washington State Department of Commerce, aerospace exports accounted for 53% of all Washington state exports in 2013, totaling \$43.6 billion, a 61% increase since 2011.

That includes many Boeing airplanes, but it also includes products from second and third tier suppliers that are exported all over the world.

These are small to medium sized businesses making cockpit controls, avionics, and the other thousands of parts that go into modern aircraft.

In 2012, U.S. aviation manufacturing generated total output of over \$150 billion.

This is clearly a key economic engine for Washington state and for our country as a whole. But that economic engine exists in one of the most competitive sectors in the world.

Other countries are not content to simply sit back and let the United State continue its dominance of the aerospace sector.

Aviation companies in the EU, Brazil, Canada, and increasingly China are all competing for our aviation customers.

They are making investments in new factories, in education, and in infrastructure to move their products to market.

In 2013, Governor Inslee asked me to attend the Paris Air Show in his stead.

That event made it crystal clear: the aviation industry is global, it is competitive, and there are new entrants in the market every day.

What happens in Shanghai, Dubai, New Delhi, Moscow, and Buenos Aires matters here in the United States.

The Chinese national aviation authority indicated that traffic to, from, and within China increased 10.6% in 2012 alone.

Over the next 20 years, Boeing predicts China will need nearly 6,000 new airplanes. The emergence of new international markets is already having an impact on U.S. aviation.

U.S. manufacturers are adjusting their strategies to target new customers in emerging international markets.

Similarly, U.S. airlines are drawing an increasing amount of their revenue from international flights.

In 2000, U.S. legacy airlines earned an average of 28 percent of their system-wide revenue from international services. Today, international services constitute almost 40 percent of their system-wide revenue.

Aviation is an increasingly global business, and we need to be clear about what that means for our jobs here at home.

Congress must reauthorize the Export-Import Bank.

The Bank creates jobs here at home by helping our businesses sell their goods overseas.

Many of these businesses are the second and third tier suppliers I discussed earlier.

Without the Bank, these companies are at a competitive disadvantage.

Reauthorizing the Bank would put them back on a level playing field.

There are other things we can do to encourage domestic aviation manufacturing.

As Ranking Member of the House Transportation and Infrastructure Committee's Aviation Subcommittee, I have seen firsthand that we can also make it easier to get our products to market.

Subcommittee Chairman Frank LoBiondo and I are working on a bipartisan basis to strengthen safety and efficiency in the certification process for aviation parts.

During hearings, we've heard that the ability of U.S. manufacturers to improve our aviation system, and compete successfully in the global marketplace, is tied to the FAA's timely review of new products.

In the upcoming FAA reauthorization, we will provide FAA with the resources necessary to make certification services safer and faster so that safe products get to market as quickly as possible.

We'll also encourage the good progress FAA has made on international agreements that allow American products to be accepted by other nations in a quicker way.

The public relies on a skilled and dedicated FAA workforce to work with industry and ensure that new products and services are safe.

The upcoming FAA reauthorization bill will invest in that workforce and help focus their efforts where they can do the most to improve safety.

By making these changes at FAA and reauthorizing the Ex-Im Bank, we can ensure the next generation of aviation manufacturing jobs stays here in the United States.

I hope to work together with all of you to make sure that happens.